INVESTMENT ADVISER
CAPITAL GROWTH MANAGEMENT LIMITED PARTNERSHIP
Boston, Massachusetts 02110

TRANSFER AND DIVIDEND PAYING AGENT AND CUSTODIAN OF ASSETS
STATE STREET BANK AND TRUST COMPANY
Boston, Massachusetts 02111

SHAREHOLDER SERVICING AGENT FOR STATE STREET BANK AND TRUST COMPANY
BOSTON FINANCIAL DATA SERVICES, INC.
P.O. Box 8511
Boston, Massachusetts 02266-8511

This report has been prepared for the shareholders of the Fund and is not authorized for distribution to current or prospective investors in the Fund unless it is accompanied or preceded by a prospectus.

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CGM Focus Fund

50th Quarterly Report
March 31, 2010

A No-Load Fund

Investment Adviser
Capital Growth Management
Limited Partnership

To Our Shareholders:

CGM Focus Fund gained 3.3% during the first quarter of 2010 compared to the Standard and Poor's 500 Index which grew 5.4% over the same period.

We believe the economic recovery underway in late 2009 continues and the new year is off to a decent start in spite of a major blizzard and some conflicting numbers that emerged during the first quarter of 2010. In late January, we learned that fourth quarter 2009 real Gross Domestic Product grew 5.7% (later revised to 5.6%), the best in six years. Business rather than the consumer claimed the biggest overall gains for the quarter, specifically in inventory accumulation and investment. In January 2010, the Consumer Confidence Index climbed to 56.5 from 53.6 in December 2009, but new home sales declined by 8.7% in January. The stock market struggled and the S&P 500 Index fell 5.2% between January 1 and February 8, 2010.

February housing numbers were no better. Sales of existing homes fell for the third month in a row, down 0.6% from January according to the National Board of Realtors. The average price of existing homes was $165,100, marginally lower than in February 2009. New home sales also declined in February to low levels last witnessed in 1963. The Consumer Confidence Index joined the fray and dropped nearly ten points from January 2010 to 46.4. But February witnessed one of the worst snowstorms in recent memory, which shut down businesses and curtailed activity up and down the East Coast, especially in Washington DC where the city was practically immobilized for the better part of a week. Weather interruptions and disappointing housing reports notwithstanding, we did continue to see some signs of economic progress in February. Reports of Same Store Sales (stores open at least one year) were up 4.1% compared to February of 2009 and the Chicago Purchasing Managers Index rose 1.1% to 62.6 in February, the fifth straight gain and highest level since April of 2005.

The Consumer Confidence Index bounced back to 52.5 in March and the market rose to close the quarter with the S&P 500 at 1,169, a near-high since the recovery began. With better weather in March and interest rates still low, we believe housing numbers for March, which we will see later in April, should give a better fix on the rate of economic recovery.

On February 17, the Federal Reserve Board raised the discount rate—the rate it charges for emergency loans—by one quarter of one percent, its first rate increase in four years. In response, the yield on the ten year Treasury bond jumped from 3.74% on the day of the announcement to 3.80% the next day only to fall back to 3.6% on February 26 and then climb back up to close the quarter at 3.83%, only slightly lower than its 3.84% yield on December 31, 2009. Given the duration of the current low interest rate environment, investors parse every Fed utterance for hints as to when the Board believes the business outlook is healthy enough to withstand higher rates. The Fed met on March 16th without making a move and reiterated their intent to maintain low rates "for an extended period."

We believe economic activity is picking up but not yet at such a pace as to raise the specter of inflation or warrant higher short term interest rates. In our view, the current high unemployment rate (9.7%) and low manufacturing utilization rate (69%) should mitigate near-term inflationary threats and the latest consumer price reports (unchanged from January to February 2010 and up only 2.1% from one year earlier) seem to suggest this is the case. Tame inflation, low interest rates and rising corporate profits encourage our outlook for a continued recovery.

On March 31, 2010, CGM Focus Fund held significant positions in the metals and mining, money center banking and automobile industries. The Funds three largest equity holdings were Ford Motor Company, The Goldman Sachs Group, Inc. and Freeport–McMoRan Copper & Gold Inc. The Fund held no short positions at the end of the first quarter.

Robert L. Kemp
President

April 1, 2010

INVESTMENT PERFORMANCE
(unaudited)

Total Return for Periods Ended March 31, 2010

	The Fund's Cumulative Total Return	The Fund's Average Annual Total Return
10 Years.....	+443.4%	+18.4%
5 Years.....	+ 38.0	+ 6.7
1 Year.....	+ 36.9	+36.9
3 Months	+ 3.3	—

The performance data contained in this report represent past performance, which is no guarantee of future results. The table above does not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares and assumes the reinvestment of all Fund distributions. The investment return and principal value of an investment in the Fund will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted.

The adviser limited the Fund's total operating expenses to 1.20% of its average net assets exclusive of any dividend expense incurred on short sales through December 31, 2001. Otherwise, the Fund's cumulative total return and average annual total return for the ten year period would have been lower.

CGM FOCUS FUND

INVESTMENTS as of March 31, 2010
(unaudited)

COMMON STOCKS — 99.3% OF TOTAL NET ASSETS

	Shares	Value(a)
Airlines - 5.9%		
Delta Air Lines, Inc. (b)	14,600,000	$ 213,014,000
Auto and Related - 15.2%		
Ford Motor Company (b)	43,500,000	546,795,000
Banks - Money Center - 16.3%		
Citigroup Inc. (b)	15,100,000	61,155,000
Morgan Stanley	6,420,000	188,041,800
The Goldman Sachs Group, Inc.	1,715,000	292,630,450
The PNC Financial Services Group, Inc.	760,000	45,372,000
		587,199,250
Business Services - 6.2%		
FEDEX Corporation	2,410,000	225,094,000
Computer Software and Services - 1.1%		
Baidu, Inc. ADR (b)(c)	66,500	39,700,500
Copper - 11.9%		
Freeport-McMoRan Copper & Gold Inc.	3,450,000	288,213,000
Southern Copper Corporation	4,400,000	139,348,000
		427,561,000
Electronic and Communication Equipment - 5.5%		
Apple Inc. (b)	840,000	197,341,200
Electronic Components - 1.8%		
Seagate Technology (b)	3,500,000	63,910,000
Heavy Capital Goods - 4.0%		
Cummins Inc.	2,350,000	145,582,500
Metals and Mining - 22.1%		
Alpha Natural Resources, Inc. (b)	3,800,000	189,582,000
BHP Billiton Limited ADR (c)	1,400,000	112,448,000
Cliffs Natural Resources Inc.	3,080,000	218,526,000
Teck Resources Limited (b)	6,300,000	274,428,000
		794,984,000

INVESTMENTS as of March 31, 2010 (continued)

(unaudited)

COMMON STOCKS (continued)

	Shares	Value(a)
Peripherals - 4.9%		
Western Digital Corporation (b)	4,500,000	$ 175,455,000
Retail - 2.3%		
The TJX Companies, Inc.	1,970,000	83,764,400
Steel - 2.1%		
ArcelorMittal	600,000	26,346,000
United States Steel Corporation	800,000	50,816,000
		77,162,000
TOTAL COMMON STOCKS (Identified cost $2,678,798,756)		3,577,562,850

SHORT-TERM INVESTMENT — 1.1% OF TOTAL NET ASSETS	Face Amount	
American Express Credit Corporation, 0.05%, 04/01/10 (Cost $37,875,000)	$37,875,000	37,875,000
TOTAL INVESTMENTS — 100.4% (Identified cost $2,716,673,756) (d)		3,615,437,850
Cash and receivables		117,468,485
Liabilities		(130,323,411)
TOTAL NET ASSETS — 100.0%		$3,602,582,924

(a) Security valuation — Equity securities are valued on the basis of valuations furnished by a pricing service, authorized by the Board of Trustees. Equity securities listed or regularly traded on a securities exchange or in the over-the-counter ("OTC") market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. For securities with no sale reported, the last reported bid price is used for long positions and the last reported ask price for short positions. Short-term investments having a maturity of sixty days or less are stated at amortized cost, which approximates value.

When current market prices or quotations are not readily available or do not accurately reflect fair value, valuations may be determined in accordance with procedures adopted by the Board of Trustees. For example, when developments occur between the close of a market and the close of the NYSE that may materially affect the value of some or all the securities, or when trading in a security is halted, these procedures maybe used. The frequency with which these procedures are used is unpredictable. These valuation procedures may result in a change to a particular security's assigned level within the fair value hierarchy described below. The value of securities used for Net Asset Value ("NAV") calculation under these procedures may differ from published prices for the same securities.

The Fund may use valuation techniques consistent with the market, income, and cost approach to measure fair value. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts (cash flows, earnings) to a single present amount. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset. To increase consistency and comparability in fair value measurements and related disclosure, the Fund utilizes a fair value hierarchy which prioritizes the various inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 – Prices determined using: quoted prices in active markets for identical securities.
- Level 2 – Prices determined using: other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)
- Level 3 – Prices determined using: significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect Fund's management's assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available in the circumstances.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value CGM Focus Fund's investments as of March 31, 2010:

	Valuation Inputs		
Classification	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs
Common Stocks*	$3,577,562,850	$ —	$ —
Debt Securities			
Commercial Paper	—	37,875,000	—
Total	$3,577,562,850	$37,875,000	$ —

* All common stocks held in the Fund are Level 1 securities. For a detailed break-out of common stocks by major industry classification, please refer to the Schedule of Investments.

(b) Non-income producing security.

(c) An American Depositary Receipt (ADR) is a certificate issued by a U.S. bank representing the right to receive securities of the foreign issuer described. The values of ADRs are significantly influenced by trading on exchanges not located in the United States or Canada.

(d) Federal Tax Information: At March 31, 2010, the net unrealized appreciation on investments based on cost of $2,757,053,960 for Federal income tax purposes was as follows:

Aggregate gross unrealized appreciation for all investments in which there is an excess of value over tax cost	$904,817,536
Aggregate gross unrealized depreciation for all investments in which there is an excess of tax cost over value	(46,433,646)
	$858,383,890

The cost basis and unrealized appreciation/(depreciation) for the schedule of investments and tax purposes differ due to differing treatments of wash sale losses deferred.

CGM FOCUS FUND

TELEPHONE NUMBERS

For information about:

- Account Procedures and Status
- Redemptions
- Exchanges

Call 800-343-5678

- New Account Procedures
- Prospectuses
- Performance
- Proxy Voting Policies and Voting Records
- Complete Schedule of Portfolio Holdings for the 1st and 3rd Quarters (as filed on Form N-Q)

Call 800-345-4048

Proxy voting policies also appear in the Fund's Statement of Additional Information, which can be found on the SEC's website, http://www.sec.gov. The voting records can also be found on the SEC's website on the Fund's Form N-PX filing.

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's website at http://www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

MAILING ADDRESS

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WEBSITE

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